

Service Date: July 6, 1995

Department Of Public Service Regulation
Before The Public Service Commission
Of The State Of Montana

IN THE MATTER of the Application)	UTILITY DIVISION
for Authority of FRONTIER)	
CORPORATION to Acquire Control)	DOCKET NO. 95.5.25
of Allnet Communication Services,)	
Inc.)	DEFAULT ORDER NO.
5853		

On May 17, 1995, Frontier Corporation ("frontier") filed an application with the Montana Public Service Commission ("commission") seeking approval to acquire control of Allnet Communication Services, Inc. ("allnet").

Frontier, a publicly held New York corporation, is the parent company of a number of local telephone company subsidiaries in thirteen states and long distance companies certificated in many states.

Allnet, a Michigan corporation, is a subsidiary of ALC Communications Corporation, a Delaware corporation. Allnet is a non-dominant carrier providing resold interexchange telecommunications services within Montana. Allnet is currently authorized to provide intrastate services in approximately 41 other states. Allnet is also authorized by the Federal Communications Commission ("FCC") to provide interstate and international services as a non-dominant carrier in all 50 states and the District of Columbia.

Pursuant to this proposed transaction, Frontier will acquire all outstanding shares of common stock of ALC. In exchange, ALC shareholders will receive two (2) shares of \$1.00 par value Frontier common stock for each share of ALC common stock held by them. After the completion of the transaction, ALC will be a subsidiary of Frontier and Allnet will remain a subsidiary of ALC. Frontier will be the ultimate parent company of Allnet.

Allnet will continue to provide services pursuant to its tariff currently on file at the commission. According to the applicant, the transaction will cause no inconvenience or confusion to Allnet's customers. The proposed transaction will result in a change of the ultimate corporate parent of Allnet and should be virtually transparent to Allnet's customers in terms of the services that they receive.

The Applicant believes that the transaction is in the public interest because, after completing the transaction, Allnet will continue to be led by a team of qualified managers comprised in part of existing Allnet personnel. In addition, Allnet will draw upon the technical and managerial expertise of its new parent, Frontier. The Parties expect that the managerial, technical and financial skill of this management team will enable Allnet to continue providing high quality service to its existing customers as well as to expand its customer base.

Analysis

The Commission finds, based on the application, that the proposed acquisition is in the public interest, and therefore, should be approved. Allnet will have access to additional operating and administrative expertise that will enable them to continue providing quality service to its customers.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the sale or acquisition of public utilities that provide intrastate "regulated telecommunications services" as defined in § 69-3-803(3), MCA.
2. The Commission has jurisdiction over all utility activities which affect a utility's duty to render "reasonably adequate services and facilities" at "reasonable" and "just" rates. § 69-3-201, MCA.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. Effective immediately, the proposed acquisition of control of Allnet Communication Services, Inc. by Frontier Corporation is approved.

2. Approval of the proposed transfer does not constitute determination or approval of any ratemaking issues.

DONE IN OPEN SESSION at Helena, Montana, this 5th day of July, 1995, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

NANCY McCAFFREE, Chair

DAVE FISHER, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.